Federal Economic Development Agency for Southern Ontario

2017–18

Departmental Plan

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

© Her Majesty the Queen in Right of Canada, as represented by the Minister of Industry, 2017

Catalogue No. lu93-4E-PDF

ISSN 2371-6800

Table of contents

Minister's message 1
Plans at a glance 3
Raison d'être, mandate and role: who we are and what we do 7
Raison d'être 7
Mandate and role 7
Operating context: conditions affecting our work 9
Key risks: things that could affect our ability to achieve our plans and results 11
Planned results: what we want to achieve this year and beyond 15
Programs 15
Internal Services 24
Spending and human resources 27
Planned spending 27
Planned human resources 29
Estimates by vote 29
Future-Oriented Condensed Statement of Operations 29
Supplementary information 31
Corporate information 31
Supporting information on lower-level programs 32
Supplementary information tables 33
Federal tax expenditures 33
Organizational contact information 33
Appendix A: definitions 35
Endnotes 39

Minister's message

Our 2017–18 Departmental Plan provides parliamentarians and Canadians with information on what we do and the results we are trying to achieve during the upcoming year. To improve reporting to Canadians, we are introducing a new, simplified report to replace the Report on Plans and Priorities.

The title of the report has been changed to reflect its purpose: to communicate our annual performance goals and the financial and human resources forecast to deliver those results. The report has also been restructured to tell a clearer, more straightforward and balanced story of the actual results we are trying to achieve, while continuing to provide transparency on how tax payers' dollars will be spent. We describe our programs and services for Canadians, our priorities for 2017–18, and how our work will fulfill our departmental mandate commitments and the government's priorities.

Through the programs of the Innovation, Science and Economic Development Portfolio, we are working together to deliver Canada's Innovation Agenda—a whole-of-government initiative to position Canada as a global centre for innovation, create better jobs and opportunities for the middle class, drive growth across all industries and improve the living standards of all Canadians. The work of the Portfolio also includes commercializing more research and ideas; providing more Canadians with the skills to participate in a global and digital economy; helping small businesses grow through innovation, access to capital and trade; promoting increased tourism to Canada; and supporting scientific research and the integration of scientific considerations in our investment and policy choices.

It is my pleasure to present the Departmental Plan for the Federal Economic Development Agency for Southern Ontario for 2017–18.

The Honourable Navdeep Bains
Minister of Innovation, Science
and Economic Development

Plans at a glance

Support Canada's Innovation Agenda

Southern Ontario is well-positioned to be a key driver of Canada's Innovation Agenda, and the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) is equally well-positioned to support this priority in the region. Championed by the Innovation, Science and Economic Development (ISED) portfolio, of which FedDev Ontario is a part, the Innovation Agenda includes helping businesses grow, innovate, and export through strategic investments in key growth sectors. FedDev Ontario is leveraging southern Ontario's capacity for innovation through:

- Investments in transformative, large-scale advanced manufacturing projects;
- Investments in commercialization platforms and public-private sector collaborations to bring new and disruptive technologies to market faster - since 2014, more than 500 products, processes or services have been commercialized;
- Investments in clean growth to support the Budget 2016 commitment to double Regional Development Agency (RDA) aggregate investments in clean technologies;
- Investments in firms to support their ability to scale-up and grow, and their ability to increase their productivity and competitiveness; Collaboration with ISED portfolio partners, federal departments and agencies, the Government of Ontario and other levels of government; and
- Investments in the region's innovation ecosystem that support strategic sectors (e.g., health and life sciences, information and communication technologies, clean technology), accelerators and incubators, and strengthen collaboration between businesses, governments, post-secondary institutions, and not-for-profit organizations.

Advance the interests of the region

As a champion and convenor across southern Ontario, FedDev Ontario is advancing the interests of the region's economy, encouraging collaborative ventures, promoting the benefits of investing in the region, and helping to leverage the region's innovation ecosystem and assets. With first-hand knowledge of, and presence in, southern Ontario, FedDev Ontario works to inform and support the development of federal programs and policies that impact the region.

Foster business and community economic development

The long-term economic prosperity of southern Ontario significantly depends on the success of its small- and medium-sized businesses. FedDev Ontario supports these businesses by supporting their ability to scale-up, notably by investing in mentorship, entrepreneurial support, technology adoption, and access to capital, while enabling partnerships with key investment networks.

The Agency continues to act as a primary point of contact for entrepreneurs and business clients seeking information on starting or growing their business through Canada Business Ontario.

Through strategic investments, the Agency is able to support economic diversification and inclusive growth by strengthening regional advantages in communities throughout southern Ontario. FedDev Ontario collaborates with Community Futures Development Corporations and Francophone and Indigenous communities to identify strengths and areas for diversification that will contribute to sustainable economic growth. The Agency invests in the rehabilitation, renovation and expansion of community infrastructure through the Canada 150 Community Infrastructure Program.

Focus on Experimentation

As part of its mandate letter commitment, the Agency is embracing its requirement to focus on experimentation. This new focus puts emphasis on experimenting with new approaches to existing problems and measuring their impact. The Agency is committed to exploring experimental directions or designs, including opportunities for collaboration across the Agency. Through this process the Agency will examine its tools, processes and programs, to determine what opportunities exist for experimentation, leveraging the executive Champion roles to support this effort, particularly in the areas of learning and innovation. This approach will create a baseline for the Agency to build from in future years and allows the Agency to take a measured approach on how it will position its investments in experimentation.

Effective internal operations

Efficient internal operations help to position FedDev Ontario for effective delivery of programs and services to southern Ontario. The Agency examines opportunities for increased effectiveness and focus by undertaking research and analysis, policy development, evaluations of ongoing programming, as well as strengthening performance measurement results. By using tools that promote two-way communication and present the public with a clear picture of FedDev Ontario's accomplishments and role in the region, the Agency is ensuring that its internal policies and decisions support its overall mandate. In support of the government's priority of

business transformation, FedDev Ontario works to increase efficiency by developing and implementing technological solutions, including enterprise-wide systems, tools and training, streamlined processes, and effective talent management. The Agency takes on regular reviews of internal control mechanisms to ensure ongoing stewardship of public funds.

For more information on the Federal Economic Development Agency for Southern Ontario's plans, priorities and planned results, see the "Planned results" section of this report.

Raison d'être, mandate and role: who we are and what we do

Raison d'être

The Federal Economic Development Agency for Southern Ontario was created in 2009 to work with communities, businesses, not-for-profit organizations and other levels of government in southern Ontario, to actively promote the region, and to build a strong foundation of investment and partnerships to help secure the region's economic growth and long-term prosperity.

Mandate and role

The Agency's core mandate is to: strengthen southern Ontario's economic capacity for innovation, entrepreneurship and collaboration; and promote the development of a strong and diversified southern Ontario economy.

To achieve its mandate, FedDev Ontario delivers three core transfer payment programs designed to address specific opportunities and challenges facing the region: the Southern Ontario Prosperity Initiatives (SOPI); the Advanced Manufacturing Fund (AMF); and the Eastern Ontario Development Program (EODP). FedDev Ontario, like other regional development agencies (RDAs) across the country, also plays an important role as a federal delivery agent for national programs in southern Ontario – specifically the Community Futures Program, the Economic Development Initiative and the Canada 150 Community Infrastructure Program.

For some national initiatives, FedDev Ontario delivers services at the regional level to firms and other stakeholders. For example, the Agency works with southern Ontario firms to identify opportunities to participate in defence procurement projects in support of the Industrial and Technological Benefits Policy. The Agency also operates Canada Business Ontario (part of the Canada Business Network), which helps entrepreneurs gain access to government business information, such as available funding opportunities. FedDev Ontario is working with federal partners on the Accelerated Growth Service initiative, which helps high-growth firms scale-up by providing them with a coordinated and streamlined approach to accessing federal business support services. In addition, the Agency is playing a leadership role in establishing Foreign Trade Zone (FTZ) Points in southern Ontario which help to reduce costs and paperwork for manufacturers, foster business expansion, facilitate export activity and attract foreign investment to the region.

With its headquarters in Waterloo and offices in Toronto, Peterborough and Ottawa, FedDev Ontario has a presence across southern Ontario and facilitates collaboration with a broad range of

stakeholders, including post-secondary institutions, not-for-profit organizations, municipal and provincial governments, Indigenous communities and private sector firms. FedDev Ontario plays an important role in convening key regional stakeholders to seek a common vision and encourage the development of coordinated plans. A particular emphasis is placed on working closely with the Government of Ontario and key federal departments and agencies to support the southern Ontario economy. In addition, through ongoing partnerships with other federal departments and agencies, FedDev Ontario ensures that the perspectives of southern Ontario are reflected in decision-making at the federal level.

For more general information about the Agency, see the "Supplementary information" section of this report. For more information on the department's organizational mandate letter commitments, see the Ministers' mandate letters on the Prime Minister of Canada's website.[i]

Operating context: conditions affecting our work

Southern Ontario is a unique region and key contributor to the Canadian economy. The region represents about a third of Canada's population, gross domestic product, employment and exports, and is home to a critical mass of small, medium and multinational businesses. Southern Ontario is also home to key economic clusters, including automotive, finance, information communications technology (ICT), and life sciences, as well as a hub for emerging clusters such as cyber-security, regenerative medicine, and bio-based chemicals, among others. The region's innovation ecosystem, including an educated labour force, incubators and accelerators, post-secondary education institutions, aspiring entrepreneurs and venture capitalists provides the necessary ingredients for growing the economy. Nearly half of all Canadian private sector research and development is performed in Ontario, which helps position this region of Canada to capitalize on global opportunities.

Nevertheless, southern Ontario has not been immune to the pressures of the changing global economy. Similar to other advanced economies, the region is undergoing a shift towards a growing service-oriented and knowledge-based economy. Many of the region's traditionally strong industries, such as the manufacturing and automotive sectors, are in transition: slower economic growth, competitive global markets and an uncertain global environment could potentially impact the ability for southern Ontario businesses to grow, innovate and export.

Although southern Ontario leads Canada in research and development (R&D), the region still falls behind global comparators in business R&D, resulting in a commercialization gap. Despite significant investments in higher education R&D, southern Ontario is lagging in bringing products to market. The region is also challenged by relatively low productivity, underinvestment in machinery and technology, and limited availability of risk capital. Southern Ontario must improve its productivity, commercialization and innovation performance to compete with the world's diverse and highly-productive economies. Regional prosperity will increasingly rely on southern Ontario's capacity to innovate, attract investment and talent to the region, develop a highly-skilled labour force, invest in capital to support company growth and higher value added activities, build collaborative partnerships among its key stakeholders and reach international markets.

FedDev Ontario's programs and services leverage the region's ecosystem and competitive advantages to address these challenges. FedDev Ontario is working to: help partners in the region to drive clean-economic growth; support firms' ability to scale-up, become more productive and access new markets; support consortia and clusters; and, invest in projects that create good, well-paying jobs. The innovation focus of FedDev Ontario's programs and services

positions the Agency well to be a key contributor to Canada's Innovation Strategy and other Government of Canada priorities.

Key risks: things that could affect our ability to achieve our plans and results

As referenced in the Organizational Context, the southern Ontario economy is continuing to adjust to the pressures and opportunities associated with globalization and the evolving economic landscape. Southern Ontario relies on access to markets and foreign investments for economic prosperity. Shifts in the global market and slower economic growth could impact investment decisions, growth and exports by southern Ontario businesses. As a consequence, this uncertainty can have an effect on the ability of projects funded by FedDev Ontario to fully realize their expected outcomes. To mitigate this risk, FedDev Ontario undertakes rigorous due diligence on projects it supports, consults broadly with stakeholders and recipients, and performs timely analysis and research to ensure that programming reflects government priorities and responds to regional challenges and opportunities. The Agency also mitigates this risk through a continuous and open dialogue and collaboration with a wide variety of regional stakeholders.

FedDev Ontario relies on other departments for the provision of key information technology systems and infrastructure. This situation creates a risk that IT systems and infrastructure may be insufficiently integrated or adaptable to support client/user needs and program/business processes affecting the Agency's ability to maximize its organizational efficiency, the quality of its decision-making and the effectiveness of stakeholder interventions. To mitigate this risk, FedDev Ontario undertakes a number of measures, including managing Recordkeeping and Open Government Implementation Plans to contribute to effective information management practices, collaborating with federal partners on the development of enterprise solutions and continuing to evaluate service delivery models to effectively support the Agency's mandate.

Another key risk that could affect our success is in the area of human resource management. FedDev Ontario is a young and geographically dispersed organization, with its headquarters in the dynamic Region of Waterloo which offers many employment opportunities. The Agency is experiencing higher staff turnover rates than the Public Service average. This high rate of turnover could strain capacity and the ability of the Agency to deliver on its mandate and support other government priorities. To mitigate this risk, FedDev Ontario has taken measures to promote the Agency as a workplace of choice in order to strengthen recruitment and retention, including an increased use of post-secondary recruitment programs and social media presence. While efforts will continue to be made, as the Agency nears the end of its current mandate, risk with respect to human resource management is expected to increase.

Key risks

Risks	Risk response strategy	Link to the department's Programs	Link to mandate letter commitments or to government-wide and departmental priorities
Evolving economic context	• Review the relevance of our programming to meet the needs of the region • Leverage our convenor role to help connect firms in the region struggling with the global economic context to other federal and provincial supports • Continue to make strategic investments to support diversification and the emergence of new clusters and consortia	Technological Innovation Business Development Community Economic Development Internal Services	• Strengthening the middle class • Fostering an innovative and clean economy • Making strategic investments that build on competitive advantages
Managing Information	• Continue to work collaboratively across the Agency to ensure business needs are adequately supported through existing IT infrastructure and systems • Collaborate with federal partners on the development of an Enterprise Grants and Contributions Solution, subject to financial resource considerations, while moving forward with implementation of an RDA-wide Grants and Contributions Program Management System • Examine resourcing solutions to build capacity for	Technological Innovation Business Development Community Economic Development Internal Services	• Strengthening the middle class • Fostering an innovative and clean economy • Making strategic investments that build on competitive advantages

	researching and implementing systems conducive to effective information sharing and management • Continue to manage Recordkeeping and Open Government Implementation Plans to contribute to effective information management practices, reflected through improvements in our Management Accountability Framework scores for Information Management • Ensure information for decision-making is disseminated in a timely manner and is quickly accessible for all employees		
Human Resource Management	• Work with local partners and organizations to promote FedDev Ontario as a workplace of choice to facilitate recruitment and retention. • Expand on existing talent retention and development initiatives throughout the Agency to develop internal staff, while promoting and maximizing the use of Canada School of the Public Service and collaborating with the Ontario Federal Council on joint talent management initiatives • Pursue aggressive and innovative recruitment strategies	Technological Innovation Business Development Community Economic Development Internal Services	• Strengthening the middle class • Fostering an innovative and clean economy • Making strategic investments that build on competitive regional advantages

Planned results: what we want to achieve this year and beyond

Programs

Program 1.1 Technological Innovation

Description

The Technological Innovation program supports the southern Ontario economy by encouraging the creation of innovative products, services, processes and markets so as to contribute to the region's competitiveness. This is achieved by focusing on key sectors and clusters and by strengthening linkages between the region's businesses, post-secondary institutions and not-for-profit organizations to leverage key regional assets and spur the advancement of transformative technologies and innovation. By facilitating these strategic partnerships, FedDev Ontario aims to improve the region's productivity, competitiveness and attractiveness as a location of choice for investment.

Investments through this program support large-scale, incremental and transformative activities that increase productivity and market diversification. While available to both for-profit and not-for-profit organizations, project funding requires that outcomes benefit southern Ontario businesses.

Transfer payments in support of this program are delivered through the administration of contribution agreements with businesses, not-for-profit organizations and post-secondary institutions.

Planning highlights

A key focus for FedDev Ontario in 2017-18 is to grow southern Ontario's innovation potential and support Ontario businesses to compete in the increasingly competitive global economy. FedDev Ontario contributes to a business environment that supports innovation and builds on Ontario's competitive regional advantages.

During the 2017–18 fiscal year, the Technological Innovation program will strengthen partnerships among businesses, government, post-secondary institutions, and research institutions in an effort to foster increased commercialization. FedDev Ontario will support large-scale collaborative projects that intensify the networks and clusters driving Ontario's innovation capacity. For example, McMaster University is receiving a $11.96 million non-repayable contribution to establish a new facility called the Fraunhofer Project Centre for Biomedical Engineering and Advanced Manufacturing. This Centre will house the development of new technologies for eye care, point-of-care medical devices and cancer treatments, creating

an anchor facility for a new industry around biomedical manufacturing to flourish in Hamilton, Ontario.

The Technological Innovation program will also promote the continued growth and increased productivity of Ontario's manufacturing sector by supporting transformative advanced manufacturing activities and advancing adoption of cutting-edge technologies. For example, Hanwha L&C Canada Inc., based in London, Ontario, is receiving a multi-year $15 million investment that will allow the company to double its production capacity, and integrate robotics in a unique advanced manufacturing process that is first in Canada. The repayable contribution will allow Hanwha to manufacture a new line of countertops and flooring, adding 85 new full-time jobs, and will establish London as its North American headquarters paving the way for future foreign investment in the region. Investments such as these will create the jobs of tomorrow and support Canada to better compete globally by strengthening its regional innovation ecosystem.

Through the Technological Innovation program, FedDev Ontario is helping to build an environment where businesses have the knowledge, skills, capital and networks needed to grow, thus enabling Ontario to become a world leader in innovation. FedDev Ontario's investments are also helping to narrow the gap between innovation and commercialization, strengthen the innovation continuum to help bring new products and services to market, and highlight southern Ontario and Canada as leaders in the world's knowledge economy.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Strengthened innovation, partnerships and commercialization in southern Ontario	Share of Ontario's employment in Knowledge-Intensive Business Services (KIBS)[1]	2017 target will be estimated using the 2016 Survey of Employment, Payrolls and Hours data release on February 23, 2017	March 31, 2018	6.1 %	6.2%	6.4%

	Business enterprise expenditure on research and development	Strengthen private sector investment in research and development	March 31, 2018	Not available[2]	Not available[2]	Private sector investment in research and development decreased

[1] The KIBS subsector includes establishments whose primary activities depend on human capital, knowledge and skills. The KIBS final product is a consulting service and knowledge transfer. Other than being intensive, these services are intermediary (i.e. services included for business).
[2] Results for the current indicator were not reported in 2013-14 or 2014-15. The Agency reviewed and revised its performance indicators in 2015-16.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending[1]	2019–20 Planned spending[2]
93,112,054	93,112,054	72,524,016	0

[1] In 2017-18 FedDev Ontario will see a decrease in planned spending under its Technological Innovation program area as a result of a previous reallocation. In response to the funding profile needs of its recipients under the Advanced Manufacturing Fund, the Agency reallocated funds from 2014-15 across fiscal years to 2016-17. For 2017-18, the Agency will return to its original planned spending for the sub-program

[2] No planned spending has been identified for 2019-20, as this period is beyond the Agency's current mandate.

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents[1]
19	15	0

[1] No planned full-time equivalents have been identified for 2019-20, as this period is beyond the Agency's current mandate.

Program 1.2 Business Development

Description

This program is available to support the 360,000 businesses (especially small- and medium-sized enterprises) in southern Ontario in their efforts to drive competitiveness. The Business Development program provides support for business services and counselling and access to capital to encourage the growth of early stage companies. It helps existing businesses expand domestically and globally; supports companies/sectors to improve productivity; facilitates

linkages and collaborations among businesses; and helps southern Ontario aerospace and defence-related firms respond to economic opportunities from Canada's defence procurements.

This program, which includes services through Canada Business Ontario, provides targeted efforts to businesses across southern Ontario along a life-cycle continuum – from entrepreneurship to expansion.

Planning highlights

Southern Ontario businesses are critical to the region's economy. They create jobs, attract and retain highly qualified employees to the region, bring innovative products and services to market and support the diversification of local economies.

The Business Development program works to improve the position of southern Ontario businesses by addressing challenges such as access to capital, training for new entrepreneurs and businesses, and productivity improvements. Supporting the Government of Canada's commitment to creating good quality jobs to build the middle-class, and a stronger economy, it leverages existing entrepreneurial and industry support networks to facilitate the development of world-leading innovators while promoting export-oriented businesses.

The Business Development program supports southern Ontario businesses, especially small and medium-sized enterprises, in their efforts to drive competitiveness through three sub-programs: Investing in Business Innovation, Investing in Business Growth and Productivity, and Business Services. These sub-programs support early stage companies through mentorship and entrepreneurial support and facilitate productivity improvements, advancements in technology and processes, as well as diversification of markets and value chains.

Kitchener-based Miovision Technologies received a repayable contribution of $922,500 in 2011 under the Investing in Business Innovation initiative to commercialize its traffic monitoring system. FedDev Ontario's investment helped the company increase sales to over $20 million.

Peterborough-based Flying Colours Corp., received a repayable contribution of $4.9 million under the Investing in Business Growth and Productivity initiative for the expansion of its aviation servicing facility, and for productivity improvements that contribute to the company's global competitiveness and ability to secure new business opportunities.

In 2017-18, the Business Development program will continue to maintain and build on its strategic investments to support southern Ontario businesses in their efforts to increase competitiveness. Through outreach, engagement and networking, it will continue to promote conditions for economic prosperity, innovation and competitive regional advantages. In

alignment with the Government's focus on advancing clean technology, it will also work to support productivity improvements and economic growth.

The Business Development program will also continue to monitor projects that are in implementation and post-implementation stages to assess the effectiveness of FedDev Ontario's investments in economic growth and expansion. It will place particular focus on the continued monitoring and collection of repayable contributions in the post-completion stage of projects approved in the Agency's first and second mandates.

In addition to its direct investments in businesses, the Business Development program will continue to foster and maintain partnerships with regional innovation hubs, incubators and accelerators, as well as key industry networks and associations.

For example, the Waterloo Accelerator Centre was approved for funding of up to $8 million to provide financial and mentoring support to new businesses to develop products and technologies, and position the business to attract investor financing.

Through these partnerships, and others, the Business Development program will be leveraged to ensure entrepreneurs and businesses have access to tools and financing opportunities to advance new ideas and scale-up innovative business models and processes. Through Canada Business Ontario, the Business Development program will provide a single point of access to services across multiple government programs in an effort to offer Ontario businesses a coordinated approach to information and services.

Accelerated Growth Services

In June 2016, the Government of Canada announced the Accelerated Growth Service, a new initiative through which established high-growth firms are offered information and potential access to relevant federal and/or external programs and services intended to help with specific growth objectives. Over the 2017-18 fiscal year, FedDev Ontario will work with its government counterparts, the province and key incubators and accelerators in the Accelerated Growth Service to engage high-growth firms in programs and services that will further their growth-related goals.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Improved business growth, productivity and global competitiveness in southern Ontario	Private sector investment in machinery and equipment in Ontario	To support businesses in meeting or exceeding their 2017 investment intentions	March 31, 2018	Preliminary results ($28.2 billion) indicate that businesses did not meet 2013 machinery and equipment investment intentions ($32.4 billion)	Not available[2]	Preliminary results ($22.5 billion) indicate that businesses did meet their 2015 machinery and investment intentions ($19.8 billion)
	Ontario's labour productivity	$47.09	March 31, 2018	Not available[4]	$44.60[3]	$46.20[1]
	Venture capital investment in Ontario	Increased venture capital investment in Ontario	March 31, 2018	Not available[4]	Not available[4]	Venture capital investment in Ontario increased in 2015 compared to 2014

[1] Statistics Canada data series (Cansim Table 383-0029) used to calculate this target has been revised back to 1997, and the replacement data are not fully comparable with those previously published.

[2] Statistics Canada data series (Cansim Table 032-0002) used to calculate this target has been terminated. The replacement data (Cansim Table 029-0048) are not fully comparable with those previously published.

[3] Statistics Canada data series (Cansim Table 383-0029) used to calculate this target has been revised back to 2007 and the replacement data are not fully comparable with those previously published.

[4] Results for the current indicator were not reported in 2013-14 or 2014-15. The Agency reviewed and revised its performance indicators in 2015-16.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending[1]
54,998,686	54,998,686	61,253,690	0

[1] No planned spending has been identified for 2019-20, as this period is beyond the Agency's current mandate.

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents[1]
51	51	0

[1] No planned full-time equivalents have been identified for 2019-20, as this period is beyond the Agency's current mandate.

Program 1.3 Community Economic Development

Description

This program supports the 288 communities (small and large, rural and urban, Francophone and Indigenous) in southern Ontario that are home to 12.7 million residents. The ability of these communities to attract the best talent and compete for investments is critical to the economic competitiveness and long-term prosperity of southern Ontario.

Resilient, welcoming, and innovative communities are best able to drive economic diversification. FedDev Ontario provides strategic investments to address the unique challenges facing eastern Ontario communities, maintain the economic vitality of official language minority communities, and advance regional diversification efforts to promote economic development. It works with others, including the Government of Ontario, and municipalities, to support community infrastructure needs within southern Ontario.

Through programming aimed at addressing the distinct needs and circumstances across southern Ontario communities, FedDev Ontario works to identify solutions to local challenges and opportunities.

Transfer payments in support of this program are administered through contribution agreements with businesses, not-for-profit organizations, Indigenous communities, post-secondary institutions, and municipalities.

Planning highlights

The Community Economic Development program aims to create new businesses and high quality jobs and to encourage the economic diversification and growth of communities that have traditionally relied heavily on one sector. Programming also benefits rural and Francophone communities and delivers on the inclusive growth agenda by creating opportunities for women entrepreneurs, Indigenous businesses and youth. The program also provides support by addressing community infrastructure requirements. Communities play a vital role in the long-term competitiveness and prosperity of southern Ontario, and it is essential that they remain vibrant, modern, and economically viable for the sustainability of the region.

As part of the Community Economic Development program, FedDev Ontario will work with partners (e.g., businesses, not-for-profit organizations, industry associations, post-secondary institutions, Indigenous communities, municipalities, and Community Futures Development Corporations) through five sub-programs: Community Futures Program, Eastern Ontario Development Program, Official Language Minority Communities, Regional Diversification and Infrastructure Delivery.

In 2017–18, the Community Economic Development program will continue to support communities across Ontario, working with partners, small- and medium-sized businesses, not-for-profit, public and private sector entities to increase economic sustainability and resilience. This includes supporting the transition and diversification of communities that have relied heavily on one sector in the past for economic opportunities. For example, FedDev Ontario is supporting Bioindustrial Innovation Canada with a $12 million investment over three years to help the Sarnia Lambton region transition strategically from an economy based on petrochemicals and refined petroleum to an emerging economy based on clean technologies that emit lower carbon emissions and are more energy efficient. By supporting projects that encourage technology development and adoption, leverage strategic assets, facilitate collaboration with other levels of government, promote innovation and pursue export markets, key growth sectors such as clean technology, digital media, and advanced manufacturing will be strengthened.

FedDev Ontario will assist businesses in gaining access to capital and advisory needs, and, in collaboration with partners such as Community Futures Development Corporations, will ensure they receive the support needed for projects to create jobs, increase productivity, attract investment and grow the regional economy. FedDev Ontario is also focussing on the challenges faced by Official Language Minority Communities, supporting entrepreneurs by addressing access to training and capital, mentoring in French and providing opportunities for youth to develop practical experience through internships with Francophone organizations and businesses. For example, through an ongoing project with La Cité Collégiale, support is provided to assist

Francophone businesses to improve their business management skills and entrepreneurship, and to support SMEs and entrepreneurs with applied research and development services. The project aims to increase the number of new Francophone businesses in southern Ontario, boost the economic success of entrepreneurs and improve the capacity and competitiveness of Francophone businesses and communities.

Supporting infrastructure needs to encourage and sustain continued growth across southern Ontario is also a FedDev Ontario focus. In 2017–18, the Agency will continue to deliver community infrastructure programming that supports Indigenous communities and a clean growth economy.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Southern Ontario communities are able to sustain long-term economic development and growth	Percentage of southern Ontario census subdivisions with a decrease in employment insurance beneficiaries (year-over-year)	50% or more of southern Ontario census divisions have a decrease in employment insurance beneficiaries (year-over-year)	March 31, 2018	64 % of southern Ontario census divisions had a decrease in employment insurance beneficiaries	66% of southern Ontario census divisions has a decrease in employment insurance beneficiaries	61% of southern Ontario census divisions has a decrease in employment insurance beneficiaries

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending[1]	2019–20 Planned spending[2]
105,327,756	105,327,756	36,647,813	0

[1] Planned spending under the Community Economic Development program area will peak in fiscal year 2017-18, as a result of a reallocation of funding from 2016-17. In response to the funding requirements of its recipients, FedDev Ontario successfully reallocated funds under the Canada 150 Community Infrastructure Program. The subsequent decrease in planned spending for 2018-19 is reflective of the sunsetting of this two year program.

[2] No planned spending has been identified for 2019-20, as this period is beyond the Agency's current mandate.

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents[1]
40	38	0

[1] No planned full-time equivalents have been identified for 2019-20, as this period is beyond the Agency's current mandate.

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service delivery categories are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Material Services; and Acquisition Services.

Planning highlights

FedDev Ontario's Internal Service functions will continue to deliver high-quality and timely advice and service across the organization in 2017–18 to support the Agency in delivering programming and services to business and communities in southern Ontario, strengthening the region's capacity for sustained economic growth and better positioning the region for global investments.

As a member of the Innovation, Science and Economic Development (ISED) portfolio, FedDev Ontario will work closely with the Minister's office to support the achievement of Ministerial mandate and Government priorities, including Canada's Innovation Agenda, the Open Government initiative and enterprise-wide systems. The Agency will also continue its work with fellow regional development agencies to develop a modern Grants and Contributions Program Management System to support the delivery of programming to Canadians.

Building on its policy and research capacity, FedDev Ontario will continue to engage in forward-looking policy analysis to support program design and delivery and ensure alignment with Innovation Agenda priorities. The Agency will continue to assess the economic landscape, building knowledge of key issues, such as the accelerating importance of regional clusters and consortia, potential implications of a change in government in the United States, and other innovation and business growth areas of interest. It will also undertake further policy work around inclusive growth, such as Indigenous economic development and women entrepreneurs. Support for southern Ontario's innovation ecosystem through defence-related business services will also continue, as the Agency leverages the economic benefits for southern Ontario from Canada's defence procurements.

In 2017-18, FedDev Ontario remains committed to effective organizational oversight and resource management. Through the Ontario Federal Council (OFC), the Agency will continue to support the collaboration and coordination of government-wide initiatives and priorities in the Ontario region, such as Blueprint 2020 and people management, including recruitment, talent management, and healthy workplaces. Human Resources Management will remain an ongoing focus of FedDev Ontario, as the Agency continues to work with partners to stabilize enterprise-wide systems, including Phoenix and MyGCHR, and works within the timeframes of its second mandate. FedDev Ontario will prioritize recruiting talent and ensuring that the Agency's organizational structures are appropriate to support the delivery of the Agency's programs and services to meet both current and future needs of the Public Service.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending[1]
15,910,153	15,910,153	15,900,476	0

[1] No planned spending has been identified for 2019-20, as this period is beyond the Agency's current mandate.

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents[1]
112	106	0

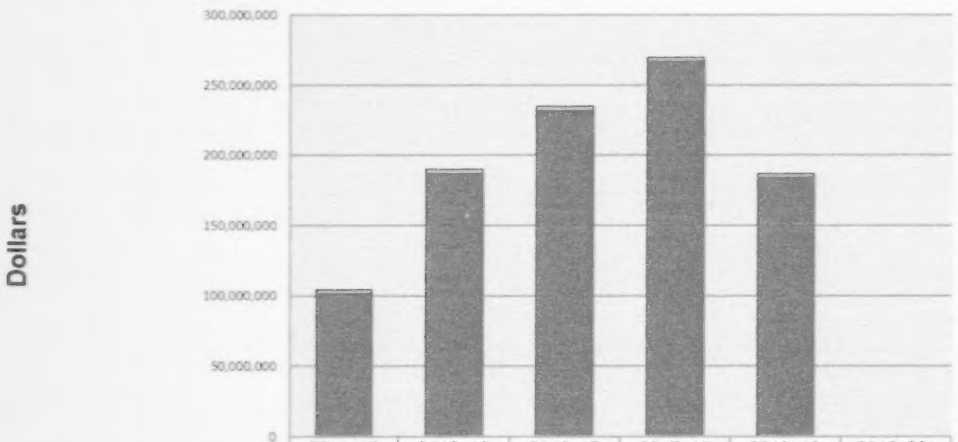
[1] No planned full-time equivalents have been identified for 2019-20, as this period is beyond the Agency's current mandate.

Information on the Federal Economic Development Agency for Southern Ontario's lower-level programs is available on the Federal Economic Development Agency for Southern Ontario's website[ii] and in the TBS InfoBase.[iii]

Spending and human resources

Planned spending

Departmental spending trend graph



	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20*
Sunset Programs – Anticipated	0	0	0	0	0	0
Statutory	3,056,870	3,214,283	3,214,356	2,755,440	2,755,126	0
Voted	101,046,273	186,583,011	231,233,496	266,593,209	183,570,869	0
Total	104,103,143	189,797,294	234,447,852	269,348,649	186,325,995	0

*No planned spending has been identified for 2019-20, as this period is beyond the Agency's current mandate.

2017–18 represents the second last year of FedDev Ontario's current five year mandate. During this time, funding will be delivered primarily under its core programming, made up of the Southern Ontario Prosperity Initiatives, Advanced Manufacturing Fund and the Eastern Ontario Development Program, with ongoing delivery of national programming in southern Ontario through the Community Futures Program and the Economic Development Initiative.

The Agency's planned and historical spending is reflective of the lifecycle associated with FedDev Ontario's investments in multi-year, transformative projects, as well as increases in authorities in both 2016–17 and 2017–18 for the delivery of the Canada 150 Community Infrastructure Program. As demonstrated, during the first year of FedDev Ontario's mandate, expenditures were significantly lower than in later years. With the establishment of new programming and application and assessment processes, expenditures are pushed forward into future years of the mandate. Recognizing the needs of recipients, and seeking to maximize the impact of its program funding, FedDev Ontario has shaped its funding profile where possible, to align with projected recipient requirements.

Budgetary planning summary for Programs and Internal Services (dollars)

Programs and Internal Services	2014–15 Expenditures	2015–16 Expenditures	2016–17 Forecast spending	2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending[1]
Technological Innovation	9,298,340	55,550,921	81,952,558	93,112,054	93,112,054	72,524,016	0
Business Development	49,467,300	69,728,063	66,496,861	54,998,686	54,998,686	61,253,690	0
Community Economic Development	27,689,452	47,037,706	59,475,209	105,327,756	105,327,756	36,647,813	0
Subtotal	86,455,092	172,316,690	207,924,628	253,438,496	253,438,496	170,425,519	0
Internal Services	17,648,051	17,480,605	17,121,821	15,910,153	15,910,153	15,900,476	0
Total	104,103,143	189,797,295	225,046,449	269,348,649	269,348,649	186,325,995	0

[1] No planned spending has been identified for 2019-20, as this period is beyond the Agency's current mandate.

FedDev Ontario is estimating budgetary expenditures of $269.3 million to support the achievement of its mandate in 2017–18. Of this amount, $242.2 million is allocated to contributions supporting the Agency's strategic outcome. A further $27.1 million has been allocated to support the operating costs to deliver programming, advance FedDev Ontario's role as a convenor and champion for the region, and support all required Internal Services activities.

As the Agency enters the final years of its current five year mandate, it will continue to support Canada's Innovation Agenda and the southern Ontario region through its strategic investments under its suite of programs.

Planned human resources

Human resources planning summary for Programs and Internal Services (full-time equivalents)

Programs and Internal Services	2014–15 Full-time equivalents	2015–16 Full-time equivalents	2016–17 Forecast full-time equivalents	2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents[1]
Technological Innovation	16	21	19	19	15	0
Business Development	58	56	57	51	51	0
Community Economic Development	35	36	40	40	38	0
Subtotal	109	113	116	110	104	0
Internal Services	115	124	112	112	106	0
Total	224	237	228	222	210	0

[1] No planned spending has been identified for 2019-20, as this period is beyond the Agency's current mandate.

FedDev Ontario is forecasting 222 full-time equivalents (FTEs) for fiscal year 2017–18 to support the delivery of its programs and services in southern Ontario. Agency FTEs are in line with the Agency's distribution of grants and contributions authorities, peaking in the middle years of its mandate as funded projects reach maturity and, in the case of repayable contributions, enter receivable status.

FedDev Ontario's FTE totals for 2017-18 and 2018-19 reflect the anticipated positions to date that the Agency has in place in order to carry out its activities and achieve its strategic outcome.

Estimates by vote

For information on the Federal Economic Development Agency for Southern Ontario's organizational appropriations, consult the 2017–18 Main Estimates.[iv]

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of the Federal Economic Development Agency for Southern Ontario's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Departmental Plan are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on the Federal Economic Development Agency for Southern Ontario's website[v].

Future-Oriented Condensed Statement of Operations for the year ended March 31, 2018 (dollars)

Financial information	2016–17 Forecast results	2017–18 Planned results	Difference (2017–18 Planned results minus 2016–17 Forecast results)
Total expenses	165,443,880	206,221,756	40,777,876
Total revenues	0	0	0
Net cost of operations before government funding and transfers	165,443,880	206,221,756	40,777,876

Total planned expenses for 2017–18 are $206,221,756, a 20% increase over 2016–17 estimated results. The projected increase is mainly attributed to a forecasted increase in non-repayable transfer payments related to delivery of the Canada 150 Community Infrastructure Program and the Advanced Manufacturing Fund in 2017–18.

Expenses do not include transfer payments that are unconditionally repayable contributions, which are estimated to be $77.9 million in 2017–18. These are classified as assets, as they are receivable contributions.

Supplementary information

Corporate information

Organizational profile

Minister of Innovation, Science and Economic Development:
The Honourable Navdeep Bains, P.C., M.P.

Minister of Science:
The Honourable Kirsty Duncan, P.C., M.P.

Minister of Small Business and Tourism and Leader of the Government in the House of Commons:
The Honourable Bardish Chagger, P.C., M.P.

Institutional head:
James Meddings

Ministerial portfolio:
Innovation, Science and Economic Development

Enabling instrument(s):
Order in Council P.C. 2009-1410 dated August 13, 2009, amending Schedule I.1 of the *Financial Administration Act* to include the Federal Economic Development Agency for Southern Ontario as a department.

Order in Council P.C. 2009-1411 dated August 13, 2009, whereby the Department of Industry transferred to the Federal Economic Development Agency for Southern Ontario the control and supervision of the portion of the federal administration in the Department of Industry known as the Southern Ontario Regional Economic Branch.

Year of incorporation / commencement:
2009

Reporting framework

The Federal Economic Development Agency for Southern Ontario's Strategic Outcome and Program Alignment Architecture (PAA) of record for 2017–18 are shown below:

1. Strategic Outcome: A competitive southern Ontario economy

1.1 Program: Technological Innovation

1.1.1 Sub-Program: Advanced Manufacturing

1.1.2 Sub-Program: Commercialization Partnerships

1.2 Program: Business Development

1.2.1 Sub-Program: Business Investment

1.2.2 Sub-Program: Business Growth and Productivity

1.2.3 Sub-Program: Business Services

1.3 Program: Community Economic Development

1.3.1 Sub-Program: Community Futures Program

1.3.2 Sub-Program: Eastern Ontario Development Program

1.3.3 Sub-Program: Official Language Minority Communities

1.3.4 Sub-Program: Regional Diversification

1.3.5 Sub-Program: Infrastructure Delivery

Internal Services

Supporting information on lower-level programs

Supporting information on lower-level programs is available on the Federal Economic Development Agency for Southern Ontario's website[vi] and in the TBS InfoBase.[vii]

Supplementary information tables

The following supplementary information tables are available on the Federal Economic Development Agency for Southern Ontario's website[viii].

- Departmental Sustainable Development Strategy
- Details on transfer payment programs of $5 million or more
- Disclosure of transfer payment programs under $5 million
- Upcoming evaluations over the next five fiscal years
- User fees and regulatory charges

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the Report on Federal Tax Expenditures.[ix] This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

Federal Economic Development Agency for Southern Ontario:

101-139 Northfield Drive West
Waterloo, Ontario
N2L 5A6
Canada

Telephone: 1-866-593-5505
Fax: 1-519-725-4976

Appendix A: definitions

appropriation (crédit)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core Responsibility (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan (Plan ministériel)

Provides information on the plans and expected performance of appropriated departments over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)

A Departmental Result represents the change or changes that the department seeks to influence. A Departmental Result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

Departmental Result Indicator (indicateur de résultat ministériel)

A factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework (cadre ministériel des résultats)

Consists of the department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report (Rapport sur les résultats ministériels)

Provides information on the actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2017–18 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada's Strength; and Security and Opportunity.

horizontal initiatives (initiative horizontale)

A horizontal initiative is one in which two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (e.g. by Cabinet, a central agency, etc.) as a horizontal initiative for managing and reporting purposes.

Management, Resources and Results Structure (Structure de la gestion, des ressources et des résultats)

A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

Performance indicator (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

Performance reporting (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

plans (plan)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

Priorities (priorité)

Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (programme)

A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (architecture d'alignement des programmes)

A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

results (résultat)

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (résultat stratégique)

A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (programme temporisé)

A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (cible)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (dépenses votées)

Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

i. The Minister's mandate letter, http://pm.gc.ca/eng/mandate-letters
ii. 2017-18 Supporting information on lower level programs, http://www.feddevontario.gc.ca/eic/site/723.nsf/eng/02389.html
iii. TBS InfoBase, http://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html
iv. 2017–18 Main Estimates, http://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/gepme-pdgbpd/index-eng.asp
v. 2017-18 Future-Oriented Statement of Operations, http://www.ic.gc.ca/eic/site/723.nsf/eng/02387.html
vi. 2017-18 Supporting information on lower level programs, http://www.feddevontario.gc.ca/eic/site/723.nsf/eng/02389.html
vii. TBS InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html
viii 2017-18 Supplementary Tables, http://www.feddevontario.gc.ca/eic/site/723.nsf/eng/02389.html
ix. Report on Federal Tax Expenditures, http://www.fin.gc.ca/purl/taxexp-eng.asp